



State of Utah

Department of Natural Resources

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Division of Oil, Gas & Mining

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Lieutenant Governor

April 20, 2005

Gary Burningham
Burningham Enterprises
95 North 200 East
American Fork, Utah 84003

Subject: Conditional Acceptance of Notice of Intention to Commence Small Mining Activities, Burningham Enterprises, Mammoth Ridge #1 Mine, S/017/048, Garfield County, Utah

Dear Mr. Burningham:

Thank you for your Notice of Intent received March 18, 2005, concerning your Mammoth Ridge #1 small mine. The project will disturb approximately 4.5 acres located in W1/2 of SW1/4 of Section 6, T37S, R5W, SLBM, Garfield County, Utah. This was initially submitted as an exploration project under file number E/017/043. Because the small mine notice was submitted within the six weeks of the exploration notice, the permit fee was transferred from the exploration to this small mine notice. When this small mine notice is finalized and officially accepted, we will close the exploration file, as receipt of this small mine application now supercedes the exploration notice.

We have completed our review of your proposal and find that your notice satisfies the requirements of Rule R647-3 of the Utah Mined Land Reclamation Act of 1975, Title 40-8, et seq., Utah Code with the exception of the required \$15,500 surety (reclamation bond) and Reclamation Contract. As soon as the bond and reclamation contract are received and accepted by our Director, we will send you copies of the fully signed and executed surety documents. You will then be authorized to commence your operations as outlined, provided you have received written approval from SITLA.

On April 19, 2005, you informed us that the \$15,500 reclamation bond will be submitted in the form of a certificate of deposit. We realize you have submitted a \$5,000 dollar cash surety for your Mammoth Ridge exploration project, and a \$10,500 cash surety for the mine for a total of \$15,500 to cover the disturbance as outlined on your map. We have the \$10,500 check on hand at the

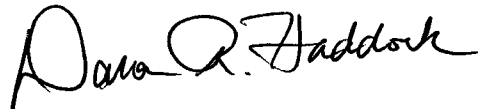
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Gary Burningham
S/017/048
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Division and will return that to you when you bring in the Certificate of Deposit. At that time, we will request that the \$5,000 cash surety be returned to you from State Finance, which will take approximately 10-14 days to receive. Please contact Beth Ericksen at (801) 538-5318 to complete the paperwork process which includes the reclamation contract, bond form and how to set up the CD with the Bank. Before finalizing these documents, please fax a "draft" copy to Beth so she can review them for completeness and accuracy. We will then inform you if corrections need to be made or if the final documents can be submitted.

Please be advised that no mining related disturbance can be created until the surety is received and you have received written acceptance from this office as well as from the SITLA.

Thank you for your cooperation to help finalize this permitting action. In reply, please refer to file number S/017/048.

Sincerely,



for / Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:TM:jb

cc: John Blake, SITLA

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